



FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

Exhibit

Klein, et al v. Meta Platforms Inc

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2874

FTC Imposes \$5 Billion Penalty and Sweeping New Privacy Restrictions on Facebook

July 24, 2019

FTC settlement imposes historic penalty, and significant requirements to boost accountability and transparency



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NOTE: The FTC hosted an **IN-PERSON** press conference at FTC Headquarters, 600 Pennsylvania Ave, NW, Washington D.C., on July 24, 2019. [Watch archival video of the press conference.](#)

Participants included: FTC Chairman Joe Simons, FTC Commissioners Noah Joshua Phillips and Christine S. Wilson, and Gustav W. Eyler, Director of the Department of Justice Civil Division's Consumer Protection Branch.

Facebook, Inc. will pay a record-breaking \$5 billion penalty, and submit to new restrictions and a modified corporate structure that will hold the company accountable for the decisions it makes about its users' privacy, to settle Federal Trade Commission charges that the company violated a 2012 FTC order by deceiving users about their ability to control the privacy of their personal information.

The \$5 billion penalty against Facebook is the largest ever imposed on any company for violating consumers' privacy and almost 20 times greater than the largest privacy or data security penalty ever imposed worldwide. It is one of the largest penalties ever assessed by the U.S. government for any violation.

The settlement order announced today also imposes unprecedented new restrictions on Facebook's business operations and creates multiple channels of compliance. The order requires Facebook to restructure its approach to privacy from the corporate board-level down, and establishes strong new mechanisms to ensure that Facebook executives are accountable for the decisions they make about privacy, and that those decisions are subject to meaningful oversight.

"Despite repeated promises to its billions of users worldwide that they could control how their personal information is shared, Facebook undermined consumers' choices," said FTC Chairman Joe Simons. "The magnitude of the \$5 billion penalty and sweeping conduct relief are unprecedented in the history of the FTC. The relief is designed not only to punish future violations but, more importantly, to change Facebook's entire privacy culture to decrease the likelihood of continued